

**STATE OF MICHIGAN
DEPARTMENT OF ENERGY, LABOR AND ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

Before the Commissioner of the Office of Financial & Insurance Regulation

In the Matter of:

**Cash Now XXXVI, LLC
License No: DP 0013586**

Enforcement Case No: 09-7122

Respondent

_____/

**To: Brian Sramek, Member
26100 John R Road
Madison Heights, Michigan 48071**

**CONSENT ORDER REQUIRING COMPLIANCE
AND PAYMENT OF CIVIL AND/OR ADMINISTRATIVE FINES**

**Issued and entered
on 4/9/10
by Stephen R. Hillker
Chief Deputy Commissioner**

Based upon the Stipulation to Entry of Consent Order and the files and records of the Office of Financial and Insurance Regulation (OFIR) in this matter, the Chief Deputy Commissioner finds and concludes that:

1. The Chief Deputy Commissioner has jurisdiction and authority to adopt and issue this Consent Order in this proceeding, pursuant to the Michigan Administrative Procedures Act of 1969 ("MAPA"), as amended, MCL 24.201 *et seq.*, and the Deferred Presentment Service Transactions Act, 2005 PA 244, MCL 487.2121 *et seq.* ("Act").
2. All required notices have been issued in this case, and the notices and service thereof were appropriate and lawful in all respects.
3. Acceptance of the parties' Stipulation to Entry of Consent Order is reasonable and in the public interest.

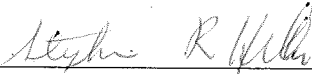
4. All applicable provisions of the MAPA have been met.
5. Respondent violated Sections 17, 33, 34 and 35 of the Deferred Presentment Service Transactions Act ("Act").

Now therefore, based upon the parties' Stipulation to Entry of Consent Order and the facts surrounding this case, **IT IS ORDERED THAT:**

1. Respondent shall CEASE and DESIST from violating Sections 33, 34, and 35 of the Act.
2. Respondent shall pay to the state of Michigan, through OFIR, civil and administrative fines in the amount of \$1,800. Respondent shall further pay the fines in accordance with the terms set forth in the attached Stipulation to Entry of Consent Order.
3. Respondent shall close all deferred presentment service transactions in accordance with the Act. Respondent shall further conduct daily checks of all transactions to ensure that all transactions are properly closed, and that all transactions including closed transactions are timely reported to the Veritec database.
4. Respondent shall not present a check that is the basis of a deferred presentment service transaction for payment before the maturity date or during the term of a repayment plan. Respondent shall further reimburse the fees its customers incurred from their financial institutions due to Respondent's negotiation, presentment, and or redemption of the customer's check prior to the maturity date of the transaction.
5. Respondent shall conduct all deferred presentment service transactions at its licensed location of 1833 North Perry Street, Pontiac, Michigan 48340.
6. Respondent shall not authorize another licensee to enter into deferred presentment service transactions on its behalf.
7. Respondent shall not enter into a deferred presentment service transaction on behalf of another licensee or enter into a deferred presentment service transaction with a customer that has an open transaction with Respondent or two open transactions with other licensees.
8. Respondent shall not include in a deferred presentment service agreement a maturity date that is more than 31 days after the date of the transaction.
9. Prior to entering into a deferred presentment service agreement, Respondent shall verify a customer's eligibility to enter into a deferred presentment service transaction by utilizing the Veritec database. In addition, Respondent shall further confirm the accuracy of any and all information it obtains from a customer prior to

submitting the information to the Veritec database to determine a customer's eligibility to enter into a deferred presentment service transaction.

10. The Chief Deputy Commissioner retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) as he shall deem just, necessary and appropriate in accordance with the Act. Failure to abide by the terms and provisions of the Stipulation and this Order may result in the commencement of additional proceedings.



Stephen R. Hilker
Chief Deputy Commissioner

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26100 John R Road
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Trans Info: 80136 15867877-1 04/02/10
CHRG: 1269 Amt: 1300.00
ID: CASH NOW 36

STIPULATION TO ENTRY OF CONSENT ORDER

Cash Now XXXVI, LLC ("Respondent") and the Office of Financial and Insurance Regulation ("OFIR") stipulate to the following:

1. On or about March 10, 2009, OFIR served Respondent with a Notice of Opportunity to Show Compliance ("NOSC") alleging that Respondent violated provisions of the Deferred Presentment Service Transactions Act, 2005 PA 244, MCL 487.2121 et seq. (the "Act").
2. The NOSC contained allegations that Respondent violated the Act and set forth the applicable laws and penalties which could be taken against Respondent.
3. Respondent exercised its right to an opportunity to show compliance by providing a written response to the NOSC on or about March 19, 2009.
4. OFIR and Respondent have conferred for purposes of resolving this matter and determined to settle this matter pursuant to the terms set forth below.
5. The Chief Deputy Commissioner of OFIR has jurisdiction and authority to adopt and issue this Consent Order pursuant to the Michigan Administrative Procedures Act ("MAPA"), MCL 24.201 et seq., and the Act.
6. At all pertinent times, Respondent was licensed with OFIR as a deferred presentment service provider pursuant to the Act.

7. Based upon the allegations set forth in the NOSC and communications with Respondent, the following facts were established:

- a. During OFIR staff's examination of Respondent, OFIR staff discovered that contrary to Section 34(8) of the Act, MCL 487.2154(8), Respondent failed to timely close the deferred presentment service transactions it entered into with C. J., S. M., and S. S. even though the aforementioned individuals appropriately satisfied their obligations in accordance with their deferred presentment service agreements.

Respondent violated Section 34(8) of the Act, MCL 487.2154(8), by failing to timely close the aforementioned deferred presentment service transactions in accordance with the Act.

- b. Respondent allowed its customers to simultaneously obtain two deferred presentment service transactions by encouraging its customers to concurrently execute two deferred presentment service agreements. In addition to entering into a deferred presentment service agreement with a customer, Respondent would have the same customer also sign another agreement which purports to be an agreement between that customer and another licensed location, Cash Now VII, LLC. Respondent subsequently entered the transactions into the Veritec database as if the transactions were actually performed by two licensees, Cash Now VII, LLC and the Respondent. However, the transaction which purported to be that of Cash Now VII, LLC was actually conducted by Respondent. By simultaneously issuing two deferred presentment service transactions to its customers, Respondent violated Section 33 of the Act, MCL 487.2153.
- c. Respondent allowed Cash Now VII, LLC and Cash in Hand II, LLC to enter deferred presentment service transactions into the Veritec database by using its name and login information, and permitted employees of Cash Now VII, LLC and Cash in Hand II, LLC to execute deferred presentment service agreements on behalf of Respondent even though the transactions did not occur at Respondent's licensed location.

By engaging in the foregoing conduct, Respondent assigned its license in violation of Section 17(1) of the Act, MCL 487.2137(1).

- d. On June 1, 2007, Respondent entered into a deferred presentment service agreement with M. W.; the agreement indicated a maturity date of July 3, 2007. Based on the foregoing, it is quite clear that Respondent included a maturity date in the agreement that is more than 31 days after the date of the transaction.

Respondent violated Section 33(4)(b) of the Act, MCL 487.2153(4)(b), by including a maturity date in the abovementioned deferred presentment agreement that is more than 31 days after the date of the transaction.

- e. Respondent and C. S. entered into a deferred presentment service agreement on or about March 3, 2008. At the time C. S. entered into the agreement with Respondent, C. S. had two other open deferred presentment service transactions. At the time of the transaction, Respondent entered an incorrect social security number for C. S. into the Veritec database causing C. S. to have three open deferred presentment service transactions on March 3, 2008. Consequently, Respondent was unable to properly verify whether C. S. was eligible to enter into a deferred presentment service transaction on March 3, 2008.

By engaging in the foregoing conduct, Respondent violated Section 34(1)(b) of the Act, MCL 487.2154(1)(b).

- f. Respondent entered into deferred presentment service agreements with R. M. and R. R. but however failed to submit any of the information required by Section 34(7) of the Act, prior to entering into the agreements with R.M. and R.R.

Respondent violated Section 34(7) of the Act, MCL 487.2154(7), by failing to enter the information required by Section 34(7) of the Act, prior to entering into deferred presentment service agreements with the abovementioned individuals:

- g. Respondent and W. A. entered into a deferred presentment service agreement on August 15, 2007; the agreement had a maturity date of September 15, 2007. According to the agreement, Respondent agreed to hold a check provided by W. A. until September 15, 2007, before negotiating, redeeming, or presenting the check to W. A.'s financial institution for payment. However, contrary to the agreement, Respondent presented the check for payment on August 24, 2007. The check was returned to Respondent due to insufficient funds in W. A.'s checking account. Consequently, W. A. was required to pay her financial institution an insufficient funds fee.

Respondent also presented checks it received from V. B., L. C., E. D., and U. M. for payments prior to the maturity dates indicated on the deferred presentment service agreements between Respondent the aforementioned individuals.

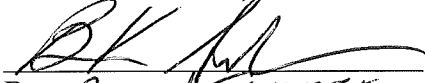
Respondent violated Section 35(5) of the Act, MCL 487.2155(5), by presenting checks it received from customers for payments prior to the maturity dates indicated on the customers' deferred presentment service agreements.

- 8. Respondent agrees that it will close all deferred presentment service transactions in accordance with the Act. Respondent further agrees that it will conduct daily checks of all transactions to ensure that all transactions are properly closed, and that all transactions including closed transactions are timely reported to the Veritec database.

9. Respondent agrees that it will not present a check that is the basis of a deferred presentment service transaction for payment before the maturity date or during the term of the repayment plan.
10. Respondent agrees to reimburse its customers any and all fees its customer incurred from their financial institution because Respondent presented the customers' checks for payments prior to the maturity date indicated on the deferred presentment agreement.
11. Respondent agrees to conduct all deferred presentment service transactions at its licensed location of 1833 North Perry Street, Pontiac, Michigan 48340, and Respondent further agrees not to authorize another licensee to enter into deferred presentment service transactions on its behalf.
12. Respondent agrees not to enter into a deferred presentment service transaction on behalf of another licensee or enter into a deferred presentment service transaction with a customer that has an open transaction with Respondent or two open transactions with other licensees.
13. Respondent agrees that at the time it enters into a deferred presentment service transaction it will not include a maturity date that is more than 31 days after the date of the transaction.
14. Respondent agrees that prior to entering into a deferred presentment service agreement it will verify a customer's eligibility to enter into a deferred presentment service transaction by utilizing the Veritec database, and that it will confirm the accuracy of any and all information it obtains from a customer prior to submitting the information to the Veritec database to determine a customer's eligibility to enter into a deferred presentment service transaction. Respondent further agrees to submit to the Veritec database any and all information required by Section 34(7) of the Act, MCL 487.2154(7).
15. Respondent agrees that it will pay to the state of Michigan, through OFIR, civil and administrative fines in the amount of \$1,800. The fines shall be paid in 6 installment payments of \$300. Respondent agrees to pay the installment payments to the state of Michigan, through OFIR, in the following manner:
 - (a) \$300 is due on April 1, 2010.
 - (b) \$300 is due on May 1, 2010.
 - (c) \$300 is due on June 1, 2010.
 - (d) \$300 is due on July 1, 2010.
 - (e) \$300 is due on August 1, 2010.
 - (f) \$300 is due on September 1, 2010
16. Respondent agrees and understands that its failure to timely pay any of the installment payments described above will result in the revocation of its deferred presentment service provider license.


17. Respondent agrees that it shall cease and desist from any and all violations of the Act.
18. Both parties have complied with the procedural requirements of the MAPA and the Act.
19. Respondent understands and agrees that this Stipulation will be presented to the Chief Deputy Commissioner for approval. The Chief Deputy Commissioner may in his sole discretion, decide to accept or reject the Stipulation and Consent Order. If the Chief Deputy Commissioner accepts the Stipulation and Consent Order, Respondent waives the right to a hearing in this matter and consents to the entry of the Consent Order. If the Chief Deputy Commissioner does not accept the Stipulation and Consent Order, Respondent waives any objection to the Commissioner holding a formal administrative hearing and making his decision after such hearing. Respondent admits that it has violated Sections 17, 33, 34, and 35 of the Act.
20. The failure to abide by the terms and conditions of this Stipulation and Consent Order may, at the discretion of the Chief Deputy Commissioner, result in further administrative compliance actions.
21. The Chief Deputy Commissioner has jurisdiction and authority under the provisions of the MAPA and the Act to accept the Stipulation and Consent Order and to issue a Consent Order resolving these proceedings.
22. Respondent has had an opportunity to review the Stipulation and Consent Order and have the same reviewed by legal counsel.

Cash Now XXXVI, LLC


By: BRIAN SZEMEK
Its: MEMBER

3-26-10
Dated

Office of Financial & Insurance Regulation


By: Marlon F. Roberts
Staff Attorney

4/8/2010
Dated